

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 14, 1983

ALL-COUNTY INFORMATION NOTICE NO. 1-103-83

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INTEGRATED EARNINGS CLEARANCE/FRAUD DETECTION SYSTEM

REFERENCE:

In September 1983, the State Department of Social Services (SDSS) will provide counties various types of discrepancy information generated by the Integrated Earnings Clearance/Fraud Detection System. While this system will replace the current AFDC Earnings Clearance System, and will incorporate duplicate participation matches, counties should continue to use their existing procedures and notification techniques for following up on AFDC discrepancies.

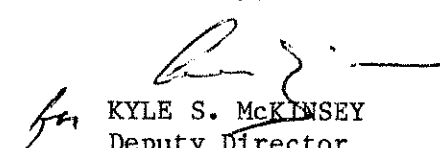
The attached recommended procedures are provided for use in following up on Food Stamp cases. Areas covered include wage discrepancies, receipt of SSI benefits, and intra/intercounty duplicates. In addition to the procedures, suggested recipient notification language is provided. If desired, counties may use AFDC notification techniques for Food Stamp purposes. However, they must conform to Food Stamp Program requirements.

Also included in this package is a brief description of the criteria the system will use for determining whether a match has occurred, and an explanation of three limiting factors. These must be taken into consideration when using the data provided by the system for both AFDC and Food Stamps.

Supplemental material is forthcoming that will more fully explain the input and output requirements of the system, as well as how the data can be used.

Should you have any questions regarding the attached procedures and/or notification language, please contact your Food Stamp Program Consultant. Any questions pertaining to the matching criteria and/or system limitations should be directed to Mike Back, Chief, Fraud Prevention Bureau at (916) 924-2836.

Sincerely,



KYLE S. MCKINSEY
Deputy Director

Attachments

cc: CWDA
GEN 654 (9/79)

STATE RECOMMENDED PROCEDURES FOR FOOD STAMP FOLLOW UP ON INTEGRATED EARNINGS
CLEARANCE/FRAUD DETECTION SYSTEM (IEC/FDS) RESULTS

I. General Guidelines

The CWD should:

- a. Prioritize all hits according to potential ineligibility, the dollar value of the discrepancy, and potential recovery of funds.
- b. Verify IEC/FDS information with the corresponding case record information.
- c. Ensure that Food Stamp recipients are given an opportunity to refute any discrepancy before any Food Stamp adverse action is taken.
- d. In general, open cases should have priority over closed cases (follow up on closed cases is county option).
- e. Ensure that follow up is conducted on all discrepancies above SDSS discrepancy level and the case is referred to the SIU if appropriate within 120 days from receipt of IEC/FDS report.
- f. Ensure that cases are referred to the SIU if the recipient refuses or fails to provide information or allow information to be obtained through another source, i.e., employer.
- g. Ensure that Food Stamp recipients are terminated if appropriate, i.e., they refuse to cooperate with the CWD per Division 63-505.1.
- h. Ensure that written authorization is received from the recipient prior to contacting his/her employer, unless employer contact is by the SIU.

II. Wage Discrepancies

The CWD has the option to either:

- a. Contact recipient or refer case to SIU as follows:
 - (1) Contact recipient verbally or in writing to verify monthly earnings. This verification may be provided by the recipient directly (for example with wage stubs) or through a written authorization from the recipient to contact his/her employer if appropriate. If recipient verification is unacceptable, written authorization may be required. Employer verification should cover the most recent twelve months.

or
 - (2) Refer case to SIU prior to notifying recipient of a discrepancy.
- b. Once monthly earnings are verified by the recipient or employer or SIU investigation, compute amount if benefits were overissued.

- c. Notify recipient of findings and allow him/her an opportunity to refute them. This can be done verbally (documented) or through written notification.
- d. Based on findings, establish a nonfraud claim and refer case to SIU for fraud investigation as appropriate if not done in II. a. 2. above.

III. Duplicate Participation Discrepancies

The CWD should:

- a. Determine if case is receiving or received duplicate benefits and for how long. This can be done by either the EW or SIU at the CWD option. (CWD taking lead in intercounty duplicates should be the one in which the recipient most recently applied if the recipient is still on aid in more than one county. If recipient is currently on aid in only one county, that county should take the lead. Both instances will require contact between the duplicated counties.)
- b. Compute amount of benefits overissued.
- c. Notify recipient of findings and allow him/her an opportunity to refute them. This can be done verbally (documented) or through written communication.
- d. Based on the findings, establish a nonfraud claim and pursue fraud prosecution as appropriate.
- e. Terminate recipient from the program if appropriate.

IV. SSI Participation Discrepancies

The CWD should:

- a. Contact recipient or refer case to the SIU.
 - (1) Contact recipient verbally or in writing to determine if SSI eligibility currently exists and for how long. Refer case to SIU if recipient fails or refuses to cooperate; or
 - (2) Refer case to the SIU prior to notifying recipient of discrepancy.
- b. Obtain information from recipient or SIU investigation and compute amount if benefits overissued.
- c. Notify recipient of findings and allow him/her an opportunity to refute them if not done in a. (1) above.
- d. Terminate recipient from the program if appropriate.
- e. Based on findings, establish a nonfraud claim and refer case for fraud investigation as appropriate.

MATCH CRITERIA

The computer logic specifications which are the basis of the computer matches are as follows:

1. Duplicate Aid Detection System (DADS)

- A. Matched - Records are considered matched when two or more county records contain the same Social Security Number (SSN), sex, date of birth (DOB +/- 24 months), and the first five characters of the last name or the first three characters of the first name are the same.
- B. Mismatched - Records are considered mismatched when two or more records contain the same SSN but not all of the other three criteria (sex, DOB, and name). Mismatched cases will only be reported back to the county upon the county's request.

A duplicate aid situation will only be reported back to the county if the situation exists for two consecutive months during a quarter.

The "Types of Aid Received" (AFDC, Food Stamp, General Relief) by recipients as reported by the county (Position 162-173 of the tape record or on the GEN 1135) will also be used as a criteria to determine if a recipient is receiving duplicate benefits. Recipients in companion cases who receive Food Stamps in one case and AFDC or General Relief in another case would not be identified as duplicate aid cases.

2. State Data Exchange (SDX)

The match criteria for the SDX match segment is the same as the DADS criteria.

3. Earnings Clearance System (ECS)

- A. Matched - Records are considered matched when a county-submitted record and an EDD wage record returned from EDD contain the same SSN and the first five characters of the last name or the first character of the first name are the same.

Matched cases will then have their recipient-reported income compared with EDD-reported income. If the difference in reported income is greater than the allowed discrepancy level, the case will be reported back to the county.

- B. Mismatched - Records are considered mismatched when a county-submitted record and an EDD wage record contain the same SSN only.

Mismatched cases will not be subject to the discrepancy level check. Mismatched cases will only be reported back to the county upon the county's request.

The discrepancy level for any case involving AFDC or General Relief will be \$301 or greater per quarter. The discrepancy level for a case involving Food Stamps only (NAFS) will be \$701 per quarter. These levels will be effective for the first quarter of 1983, but are subject to revision after the first quarter process.

LIMITATIONS OF THE SYSTEM

The system has the following limitations inherent in it:

SSN - It is the recipient's SSN as submitted by the county that is used as the main criteria to make the match at EDD against the EDD earnings records. If there is no SSN or the SSN is inaccurate, there will be either an inaccurate match or no match at all. Even if the same person is in both files, a correct match will not occur if the county failed to obtain the recipient's SSN; the recipient, county, employer or state did not accurately record the SSN; or the SSN provided to either the county or employer is fictitious.

Earnings Covered - Only earnings from employment subject to UI/DI taxes are included. The earnings received by military personnel, some government employees, most self-employed, and employees from some small firms are not included.

Timeliness of Information - AFDC and Food Stamp eligibility and the earnings information is for the period two quarters prior to the quarter in which the ECS 155s are received. This means that information provided will always be five to seven months old. Thus, some cases will no longer be active.

SUGGESTED RECIPIENT NOTIFICATION LANGUAGE FOR FOOD STAMP CASES

Name: _____ County Name: _____
Address: _____ Case Number: _____
_____ Date: _____

NOTICE OF DISCREPANCY

We have obtained information which indicates that you may have received Food Stamp benefits to which you were not entitled.

It has come to our attention that you participated in more than one Food Stamp case in the following months:

<u>Month/Year</u>	<u>Month/Year</u>
January _____	July _____
February _____	August _____
March _____	September _____
April _____	October _____
May _____	November _____
June _____	December _____

If the information above is correct, you have been overissued \$ _____ in Food Stamp benefits and will be required to repay this amount. However, before we take any action you have a chance to tell us if we have made a mistake. If we do not hear from you within 10 days of the date of this notice, we will assume this information is correct.

Contact: _____ Phone Number: _____

SUGGESTED RECIPIENT NOTIFICATION LANGUAGE FOR FOOD STAMP CASES

Name: _____ County Name: _____
Address: _____ Case Number: _____
_____ Date: _____

REQUEST FOR INFORMATION

We have obtained information which indicates that you have received Food Stamp benefits to which you were not entitled.

It has come to our attention that you received both Supplemental Security Income (SSI) and Food Stamp benefits in the following month(s) _____. In California, SSI recipients are not eligible for the Food Stamp Program. To determine your current eligibility for the Food Stamp Program, please complete the following questions.

- (1) Have you received SSI within the past 12 months?
Yes _____ No _____
- (2) If yes, in what months did you receive these benefits?
- (3) Are you currently receiving SSI benefits? Yes _____ No _____
- (4) If your SSI benefits have been discontinued, please note, date and return. Attach copy of discontinuance notice.

Please sign and return this notice within 10 days of the date in the upper right-hand corner of this letter.

It should be noted that failure to respond to this notice will result in your case being referred for a fraud investigation.

Contact: _____ Phone Number: _____

Return this notice to:

Recipient Signature _____

SUGGESTED RECIPIENT NOTIFICATION LANGUAGE FOR FOOD STAMP CASES

Name: _____ County Name: _____
Address: _____ Case Number: _____
Date: _____

REQUEST FOR WAGE INFORMATION

We have obtained information which indicates that you have reported the incorrect amount of your gross earnings to us. To avoid any unnecessary adverse action, we are asking that you cooperate with us within 10 days of the date of this letter.

Please provide us a copy of all your wage stubs for the past 12 months. (If you have been receiving Food Stamps for less than 12 months, provide stubs only for the months you have been receiving Food Stamps within the past year.) If you are unable to obtain this information, we are requesting that you allow us to contact your employer(s) by signing the Release of Information statement below and returning it to us at the address listed below. Once we receive the desired information, we will determine if any further action is needed.

It should be noted that failure to respond to this notice with either a copy of your wage stubs or a signed release form will result in your case being referred for a fraud investigation.

Contact: _____ Phone Number: _____

RELEASE OF INFORMATION

I _____, do hereby authorize the release of my employment
(signature of recipient)
history for the past 12 months to the County of _____.
Photocopies of this release shall be treated as originals.

Signed: _____ Phone Number: _____

Return to:

COUNTY: TEAR OFF BOTTOM PORTION AND SEND TO EMPLOYER. (TOP PORTION IS NOT
TO BE SENT TO EMPLOYER.)

SUGGESTED RECIPIENT NOTIFICATION LANGUAGE FOR FOOD STAMP CASES

Name: _____ County Name: _____
Address: _____ Case Number: _____
_____ Date: _____

NOTICE OF DISCREPANCY

We have obtained information which indicates that you have reported an erroneous amount of your gross earnings to us.

The amounts of gross earnings you reported compared to the amounts we have obtained from other sources were:

<u>Month/Year</u>	<u>You Reported</u>	<u>Our Sources Show</u>	<u>Difference</u>
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

If the information above is correct, you have been overissued \$ _____ in Food Stamp benefits and will be required to repay this amount. However, before we take any action, you do have the right to disagree with these findings. Please contact us immediately to explain these differences. If you do not contact us within 10 days of the date of this letter, we will assume our information is correct.

Contact: _____ Phone Number: _____